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**U.S. PATENT & TRADEMARK OFFICE
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REQUEST FOR RECONSIDERATION

OFFICE OF PETITIONS

**PETITION FOR ACCEPTANCE OF UNAVOIDABLY
DELAYED MAINTENANCE FEES PURSUANT TO**

35 U.S.C. § 41 c (1) and 37 CFR 1.378(b)

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USPTO ACCOUNTING

In Re: Patent No.
6221836
Issue Date: April 24, 2001
Application No.: 09/213,968
Filing Date: December 17, 1998
First Named Inventor: Paxton Beale
Assignee of All Right and Interest:
Paxton Beale

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to:

Commissioner for Patent
Mail Stop Petitions

Box 1460

Alexandria, VA 22313-1460 on November 10, 2010

11/22/2010 DALLIN 00000034 09213968

DONN K. HARMS FC:1599

400.00 OP

Petitioner herein, Paxton Beale, the first named Inventor and the Assignee of all Right and Interest in U.S. Patent 6,221,836, concurrent with this Request for Reconsideration, incorporates all prior exhibits and filings on this matter by reference.

Subsequent to Petitioner's submission of a petition, a Request for Information was issued and a Response to the Request for Information was filed on November 25, 2009. A Response to Petitioner's Response was mailed on September 10, 2010 and specifically noted that:

Petitioner should show that Mr. Nickey, (Petitioner's agent) or his associates, had steps in place for ensuring that the maintenance fee would be timely paid and that the response of November 25, 2009, does not make this showing. It was stated that "a positive finding in this respect (*that Agent Nickey took the steps taken to ensure timely payment of the maintenance fee*) is necessary to a successful petition under 37 CFR 1.378(b) because, where the record fails to disclose that the *agent* took reasonable steps, or took no steps, to ensure timely payment of the maintenance fee, 35U.S.C. 41c and 37 CFR 1.378(b)(3) precludes acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

1 Petitioner respectfully disagrees with the interpretation of whose actions (steps) must be
2 shown to have exercised reasonable care was taken to ensure that the maintenance fee would be
3 paid timely and that the petition was filed promptly. The position that it is the Agent's steps
4 would be incorrect, and being that the Agent is Registered by the U.S. Patent Office, and
5 because Agent's abilities and docketing system are shown to exist by inference due to his actions
6 and communications with Attorney Casey and Petitioner in responding to Petitioner's inquiry
7 about paying the subsequent fees, and by actually having paid fees on time on another patent,
8 and absent any evidence to the contrary. Concerning the steps to review

9
10 *Pursuant to PTO regulations, a delay in paying a maintenance*
11 *fee can be shown to be unavoidable if "reasonable care was*
12 *taken to ensure that the maintenance fee would be paid timely."*
13 *Additionally, the patentee "must enumerate the steps taken to*
14 *ensure timely payment of the maintenance fee, the date and the*
15 *manner in which the patentee became aware of the expiration of*
16 *the patent, and the steps taken to file the petition promptly."*
17 *(BURANDT v. DUDAS, 528 F.3d 1329 Fed. Cir. 2008)*

18
19 *....in determining whether a delay in paying a maintenance fee*
20 *was unavoidable, one looks to whether the party responsible for*
21 *payment of the maintenance fee exercised the due care of*
22 *a reasonably prudent person." Ray, 55 F.3d at 609. Under the*
23 *PTO regulations, a patentee can show unavoidable delay by*
24 *demonstrating that "reasonable care was taken to ensure that the*
25 *maintenance fee would be paid timely and that the petition [to*
26 *accept an unavoidably delayed payment] was filed promptly after*
27 *the patentee was notified of, or otherwise became aware of, the*
28 *expiration of the patent." 37 C.F.R. § 1.378(b)(3). In addition,*

1 "[t]he showing must enumerate the steps taken to ensure timely
2 payment of the maintenance fee, the date and the manner in
3 which patentee became aware of the expiration of the patent, and
4 the steps taken to file the petition promptly." (BURANDT v.
5 DUDAS, 528 F.3d 1329 Fed. Cir. 2008)
6 Burandt's argument (here) directly flies in the, face of our
7 holding in Ray, **where we expressly held, that it is the actions of**
8 **the party responsible for making payments of the maintenance**
9 **fees, the legal title owner, that must be considered when**
10 **evaluating unavoidable delay under 35 U.S.C. § 41 (BURANDT**
11 **v. DUDAS, 528 F.3d 1329 Fed. Cir. 2008)**

12
13 In the Burandt case, the Appellant Burandt argued that the actions or steps of the owner
14 of the patent at the time it went abandoned (not owned by Burandt at the time) which were not
15 necessarily the steps or actions taken, are to be considered by the Commissioner in making
16 decisions on granting petitions for unavoidable delay. The Court disagreed holding that "the
17 actions of the party responsible for making payments of maintenance fees, the legal owner" must
18 show reasonable care was taken in paying the maintenance fees. Further, the Court stated that
19 the owner's showing must enumerate the steps taken by the patent owner to ensure timely
20 payment of the maintenance fee, the date and the manner in which patentee (owner) became
21 aware of the expiration of the patent, and the steps taken to file the petition promptly.

22 Consequently, the actions taken by the Agent are not the steps or actions to be considered
23 by the Commissioner, unless there would be proof that the Agent had no system to pay fees and
24 Petitioner knew that. Rather, it is the steps by the Petitioner, the owner of the patent, which are
25 to be reviewed to show reasonable care was taken to pay the maintenance fee after the patent
26 issued.

27 To that end, Petitioner, the owner, as noted in the earlier filings exercised the due care
28 observed by a prudent and careful person, in relation to his most important business, by taking

1 every step or action that would be taken by a patent owner exercising reasonable care, to wit
2 Petitioner:

- 3 a) Exercised reasonable and due care by having his own docketing in his date book
4 calendars, the future maintenance fees for both the '469 patent and the '836 patent;
5 b) Placed sufficient funds in trust with Nickey, a Registered Patent Attorney,
6 Licensed and regulated by the USPTO, to pay all such fees when due, in advance;
7 c) Continually contacted and checked in with Nickey numerous times, based on the
8 notations in his date books, to ascertain that Nickey would use those funds to pay the
9 fees.
10 d) Petitioner sent follow-up written communications to Nickey concerning Nickey's
11 telephonic confirmation that he was "riding herd" on the patents and was going to pay the
12 maintenance fees from trust funds.

13
14 **The Petitioner's reliance was justified, because,**

- 15 i) Nickey was Licensed by the USPTO.
16 ii) Nickey had always performed perfectly in the past during a multiple year
17 relationship;
18 iii) Nickey obviously had a docketing system which worked well, because, Nickey had
19 already performed timely and had paid the first fees due on the '469 patent as promised
20 and Petitioner had no evidenced reason to doubt that;
21 iv) Petitioner left adequate funds in possession of Nickey to pay the fees, in advance;
22 v) On numerous occasions, when telephoned or contacted by Petitioner, (using his own
23 calender which was a back up and listed fees coming due), and queried about the fees
24 coming due, Nickey had confirmed he would employ funds from Petitioner he held in
25 trust to pay the fees;
26 vi) Since the maintenance fees had already been timely paid on another patent, Nickey
27 must have had a reasonable docketing system and reminder system, or obviously the
28 fees would not have been paid timely; and

1 vii) Nickey confirmed independently to attorney Casey he was handling the payments and
2 Casey knew Nickey and his system from working with him. (Casey Declaration).

3 Taking Petitioner's actions and acts in evaluating Petitioner's due care, Petitioner
4 docketed the fees due himself, in his own notebooks, as a backup system to having attorney
5 Nickey docket the dates to pay the fees from money placed in trust for that purpose. Petitioner
6 thus endeavored to have two different parties looking to make sure the payments were timely
7 made, and he placed money in Nickey's possession to make such payments.

8 The payment was timely made by Nickey, from those funds, for the '469 patent so it was
9 reasonable for Petitioner to assume that Nickey had a well functioning docketing system in place
10 that worked, otherwise he could not have timely paid the fee years after issuance. Consequently,
11 Petitioner would have no reason whatsoever to doubt that Nickey's system would not work for
12 the next maintenance payment, nor that Nickey would not make that payment.

13 In addition, Petitioner using his own docket in his calenders, contacted Nickey about the
14 fees coming due, and was told by Nickey he was on top of it, knew about it (probably from a
15 functioning docketing system), and acknowledged he had funds in his trust account to pay for the
16 fees. The inference of a functioning docket system and scheduling system was further confirmed
17 by communications from Nickey to Attorney Casey that Nickey would in the future attend to any
18 needed action for Petitioner's intellectual property matters, and Nickey specifically stated, that in
19 view of his economic and inventorship interests in Petitioner's patents, that Nickey would attend
20 to payment of maintenance fees for the '836 and Petitioner's other U.S. patents. (Declaration of
21 Attorney Sean Casey). The fact that one fee was paid on time and Nickey related to Casey that
22 he would be paying the rest in the future shows by inference the presence of a functioning
23 docketing system.

24 Petitioner's steps and actions of docketing the fees in his own calender, having a
25 registered patent attorney employed to pay the future fees, contacting that attorney in a back-up
26 procedure based on his own calender, and providing funds in advance to pay all fees, equals or
27 exceeds the care or diligence that is generally used and observed by prudent and careful men in
28 relation to their most important business.

1 This diligence and care was further observed by Petitioner, by docketing the due dates himself in
2 his own calender and then telephoning that attorney to double check on the matters, and
3 reasonably believing that PTO licensed attorney employed a system for docketing or reminders
4 since a first patent was timely paid from funds provided. Finally, the diligence was further
5 shown by Petitioner's written confirmations to the attorney in follow up of telephonic or oral
6 communications.

7 Absent climbing out of a hospital bed where he lay disabled and with a life threatening
8 condition, and hiring another attorney to check on the first attorney, who already had performed
9 as promised, there are not many more steps Petitioner could take by a prudent and careful man
10 ensuring fees are paid. In that such an act would have been life threatening, and ill advised,
11 Petitioner's acts and actions, which are the "steps" and "actions" to be reviewed as the owner of
12 the patent, show reasonable care was taken to pay the maintenance fee after the patent issued.

13 Still further, in answer to the question as to a written agreement between Petitioner and
14 Nickey, Petitioner can find no case law or citation which requires such to show diligent action,
15 and would respectfully request such if it is to be at all considered in this matter. Were it to be
16 considered, Petitioner, who is currently in the hospital with an ongoing septic infection has
17 related to Petitioners's Attorney (who by signing this attests to such) that he remembers a
18 contract in place originally which was ongoing. Further, under the Uniform Commercial Code, a
19 contract may be considered written using ongoing writings between the parties. The fact that
20 Petitioner consistently wrote follow-ups and sent them to Nickey, shows a clear understanding by
21 Petitioner of what Nickey and he agreed upon orally, and confirmed in writing and the actions
22 that Nickey was to perform according to Petitioner's understanding. While Petitioner cannot
23 presently look for the original contract, Petitioner was diligent about writing to Nickey to
24 confirm in writing their understanding and Nickey's agreed task. Even in absence of a contract,
25 such constant written follow up communications by Petitioner were acts of a diligent man with
26 his most important business matters, and done from a hospital in some occasions which show
27 even more diligence on the part of the acts by Petitioner.
28

1 With regard to the final point of the last response, concerning Petitioner's not checking
2 on the actions of the Licensed Registered Patent Attorney, Petitioner was reasonable in trusting
3 Nickey, an attorney who is Licensed by the USPTO, and who has never had a complaint filed.
4 This reliance was justified. Nickey had been tasked to pay the first maintenance fee on another
5 patent, and did so timely. Just after making this payment, when questioned by Petitioner, he
6 confirmed he was paying subsequent fees in response to Petitioner's inquiry about them which
7 was elicited by Petitioner looking at the notations in his calender which he used to calender
8 important business and personal matters. Petitioner, who had taken the step of advancing the
9 fees to Nickey, was reasonable in his belief that the fees had been paid of the instant patent
10 herein, since the fees on the first patent had been paid, and Nickey confirmed the fees for the
11 subject patent were to be paid. No notices were sent otherwise to the Petitioner. (See Petitioners
12 and other Declarations already submitted)

13 Since Petitioner had no notice of anything amiss, and since Nickey paid the first fee on
14 another patent timely, and had confirmed paying the instant fees, and having no reason to check
15 or remind Nickey of subsequent fees until 2008-2009, which were listed in Petitioner's calender,
16 and having no written notice of a lapse in payment of fees since as previously stated, all mailings
17 went to another address (Declaration of Attorney Sean Casey), there was no reason for any
18 suspicion that the maintenance fees had not been paid as promised, multiple times, by Nickey
19 who had timely paid the first fees from advanced funds, and had responded he would pay the fees
20 for the patent herein when asked.

21 Further, as noted in the earlier filing, Petitioner, was suffering from a life threatening
22 illness, and was struggling to recover from such for most of 2005, in a hospital and was in ill
23 health thereafter and was in and out of the hospital, and not working nor seeking any license on
24 the instant patent, and had no fees due according to his own calendar of the due dates, and thus
25 had no reason to check on the patent fees further until 2008 when an unsolicited request came in.

26 Additionally, as with most patent clients, such a check would have been through his
27 Patent Attorney, Mr. Nickey, since such is how it was done, and in fact is still done by most
28 clients. A reasonable person having already asked his agent, and receiving confirmation that the

1 agent would pay the fees, would have no reason to again ask the agent since that agent had
2 already timely paid the first fees on another patent. Since the dates in the Petitioners' calendar
3 he used to back up Mr. Nickey's handling of matters showed the next due maintenance fees on
4 the '836 patent would not have expired until April of 2009, he had no reason whatsoever to
5 check until he was informed during the licensing negotiation of the problem by a third party.

6 As such, a diligent prudent business man, who docketed and tracks the payment dates
7 himself, hires an attorney licensed by the patent office to pay fees, tenders the money in
8 advance to pay those fees, reminds the attorney to pay the fees, receives oral confirmation they
9 will be paid, confirms in writing the oral conversations that the fees will be paid, and whose
10 attorney performed as promised in the past by actually paying the fees on time for a patent, and
11 who received no adverse information to the contrary, has acted as a diligent person and
12 reasonably relied on his attorney even though he maintained his own calendar of dates for fees,
13 and thus had no reason to doubt the fees were paid. In that Petitioner was in the hospital, with a
14 life threatening condition, and subsequently was in poor health which continues to this date, and
15 who would have checked with his patent attorney anyway, (who he already checked with) as that
16 would have been the conventional practice at the time), petitioner took all acts and actions that
17 were diligent and reasonable. As such, Petitioners actions concerning the patent were those of a
18 man who is diligent and acting as he would in his important business as owner of the patent.

19 Petitioner, having been diligent, done everything correctly, having no reason to check
20 upon the patents, and having no notice of their expiration due to mailings elsewhere, only
21 discovered that Nickey's representation that he was paying the maintenance fees on the '836
22 patent and the '469 patent was false, or in error, in late 2008, since license negotiations during
23 that time had finally occurred, and the status of the patents was checked upon by a third party.

24 Petitioner was again diligent and took immediate action by contacting a new Patent
25 Attorney, Donn Harms. When informed by Harms of the high standard required to have the late
26 fees accepted, Petitioner took immediate action to ascertain the facts and to find the plethora of
27 old correspondence and records in the matter that would be needed. Because of the number of
28 years that passed, and the number of people needed for contact to request any other records, this

1 task took a number of months to complete in order to file the petition with sufficient information.

3 DILIGENCE ON DISCOVERY

4 Petitioner was diligent and took immediate action by contacting a new Patent Attorney,
5 Donn Harms (Harms). When informed by Harms of the high standard required to have the late
6 fees accepted, Petitioner took immediate action to ascertain the facts and to find the plethora of
7 old correspondence and records in the matter that would be needed. Because of the number of
8 years that passed, and the number of people needed for contact to request any other records, this
9 task took a number of months to complete.

10 Petitioner in further diligence took the steps of contacting Attorney Sean Casey (Casey)
11 seeking records of any kind in his possession. Sean Casey responded to the request only in
12 March of 2009 and confirmed:

13 a) After the ' 836 patent issued, Nickey stated to Casey that he would be working with
14 Petitioner to maintain the ' 836 patent, among others, as well as any international patent
15 applications that were contemplated during the 1998 through 2001 period of time;

16 b) Nickey confirmed to Casey that Nickey would in the future attend to any needed action
17 for Petitioner's intellectual property matters;

18 c) That Nickey specifically stated, that in view of his economic and inventorship interests
19 in Petitioner's patents, that Nickey would attend to payment of maintenance fees for the
20 '836 and Petitioner's other U.S. patents;

21 d) That in early to mid-2004, Casey learned from a third party that Nickey may have
22 experienced serious health problems;

23 e) That pursuant to that information, Casey contacted Nickey and Nickey confirmed
24 he was in fact confronting serious health issues that impacted his ability to work;

25 e) That in the summer of 2008, Casey learned that Nickey had succumbed to his health
26 issues at the age of 57, and had passed away in June, 2008;

27 f) That in the summer of 2008, Casey also learned that Nickey's health problems
28 allegedly created adverse legal consequences for other entities or individuals who had relied on

1 Nickey for legal counsel and advice, and not just Petitioner;

2 g) That during all times between early 1998 and 2009 that Casey understood, from his
3 contact with Nickey, that Nickey, as one of Petitioner's co-inventors and acting in the capacity as
4 Petitioner's patent attorney, had retained and was executing his responsibility to maintain
5 Petitioner's U.S. patents in force; and

6 h) That Petitioner would not have received any mailings from the PTO to alert Petitioner
7 to anything amiss in Petitioner's reasonable reliance on Nickey's performance since sometime
8 between about 2000 and late 2001 to early 2002, at Nickey's request and because of concerns
9 about mail going to Nickey's main employer, Cardinal Health, that Casey changed the
10 correspondence address for the ' 836 patent application to reflect the temporary address of Casey's
11 former law practice.

12 Consequently, Petitioner, who was located thousands of miles away from Nickey, could
13 not have ascertained anything amiss since all mailings from the PTO were sent elsewhere.

14 Diligence after the fact is thus shown by this immediate contact by Petitioner with all
15 parties who might have information, and the submission of this Petition, immediately after
16 receiving answers from the parties from which information was sought. Further, Petitioner
17 conducted an immediate search through Petitioner's stored records of years past showing
18 payment to Nickey, and docketing of the fees in Petitioner's personal date books, and confirming
19 orally with Nickey and thereafter in written form the fees would be paid. All of this evidences
20 the required acts of diligence of the owner of the patent, the Petitioner, in seeking this relief as
21 soon as possible after first learning of the failure of Nickey to pay the maintenance fees as
22 promised.

23 CONTINUED EMPLOYMENT OF NICKEY

24 The Commissioner notes that Petitioner continued to use Nickey as the agent even though
25 Nickey was employed elsewhere. Petitioner, who was contacted in the hospital by Petitioner's
26 attorney Harms, related to Harms that:
27
28

1 Nickey was kept as the attorney because he was the foremost Attorney-authority on the
2 subject matter of the patents. Nickey had written numerous patents on the same subject for
3 another party, as well as Petitioner, and there was, at the time, no other Patent Attorney who
4 knew more about the subject matter of the patents. Nickey was a co-inventor with Petitioner at a
5 point in time, because he had become an expert in the field.

6 Petitioner had planned to seek licences and felt that Nickey would be the best legal mind
7 to help Petitioner negotiate licenses with supplement producers and the like with this unique
8 knowledge. Had petitioners' health not taken a life-threatening turn, the licensing would have
9 been sought earlier than the 2008 date when a potential licensee was approached. It was for this
10 reason that Nickey has continued as Petitioner's agent on the matter, which in light of Nickey's
11 unique qualifications, was also the action of a businessman who is diligent and acting as he
12 would in his most important business as owner of the patent.

13 VI. CONCLUSION

14 Petitioner respectfully continues his assertion that, as the sole owner of the patents and
15 the party whose acts are to be reviewed, the record shows he took steps to insure that reasonable
16 care was taken to ensure that the maintenance fee would be paid timely and that the petition
17 herein was filed promptly after the patentee was notified of, or otherwise became aware of, the
18 expiration of the patent, and that he reasonably relied on a Registered Patent Attorney who paid
19 a first fee and confirmed he paid the fee herein, and that there is no evidence that the Attorney
20 lacked a docketing system. To the contrary, the evidence at hand points to the fact the Attorney
21 did have a docketing system since a first maintenance fee was made timely from funds in the
22 attorney's possession for that purpose. Consequently, the facts herein support acceptance of the
23 late payment of the fees on the '836 patent since those facts are well within the liberal standard as
24 espoused by Commissioner Hall and Chief Justice Shepard in the *Mattullah* case.

25
26
27 ///

1 Unavoidability, under 35 USC 41 and/or 35 USC § 133 as historically construed and tempered
2 by such cases as *Pratt, Mattullath* and *Ray*, and in review of Petitioner's diligence and acts and
3 actions pursuant to *Burandt v. Dudas* noted above, supports a satisfactory finding in this case,
4 under the specific facts of the case as herein presented and documented.

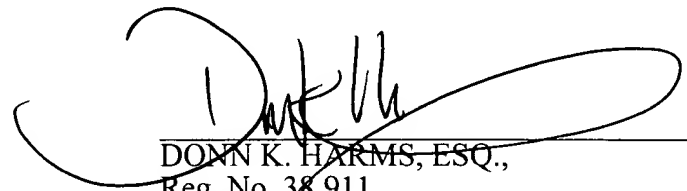
5 For the reasons set forth in the records on file herein, inclusive of the testimonial and
6 documentary evidence on file and as filed herewith, it is respectfully submitted that the
7 Honorable Commissioner finds that the facts meet the requisite threshold to find satisfaction that
8 there was unavoidable delay, despite the reasonable diligence and acts of Petitioner to maintain
9 the '836 patent, thus permitting acceptance of fees and surcharges submitted concurrently
10 herewith, and ruling the '836 patent to be "considered as not having expired at the end of the
11 grace period."

12 Petitioner, through his attorney, respectfully again also requests that the Commissioner
13 also, for the same reasons herein, permit acceptance of fees and surcharges for the '836 patent,
14 and if acceptable to the Commissioner due to Petitioner's age and limited budget, that the fees
15 and surcharges for the '469 patent be also accepted if forwarded immediately, subsequent to a
16 favorably ruling by the Honorable Commissioner.

17 Should the Commissioner have questions, or need any more information, Petitioner's
18 attorney is available by telephone at any time to provide it.

19
20 Respectfully submitted,

21 DATED: November 10, 2010

22
23 

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